A Study on Effect of Cognitive Dissonance on Consumption Value, Anticipated Satisfaction and Word-Of-Mouth Communication

Long-Yuan Lee, Assistant Professor, Department of Leisure and Sport Management, Cheng Shiu University, Taiwan
Lung-Yu, Li, Assistant Professor, Department of Applied Foreign Languages, Cheng Shiu University, Taiwan

A BSTRACT

Both academic research and practitioners showed growing interests in understanding the strategic benefits of experiential marketing. Previous research has put efforts on discussing the degree of consumer’s satisfaction with anticipation of products or services before consumption and the feeling they perceived after purchased before and after consumption. Little attention has been paid to investigate how consumers perceived the consumption experience related to the issue of waiting experience and how the cognitive dissonance might influence their responses toward the phenomenon. Thus, it should be necessary to explore the cause association toward consumer’s anticipated satisfaction and effect relationships among cognitive dissonance, consumption value and word of mouth communication. The purpose of this study was to build the definite relationships between above variables. Through the explanation of relationship, this study tried to figure out the core factors that control perception of anticipated satisfaction. The findings and suggestion of this research could provide insights for marketers and managers to improve consumer relationship quality in the food and restaurant industry.

Keywords: Cognitive Dissonance, Consumption Value, Satisfaction, Word of Mouth

INTRODUCTION

As coming of experience economy age, more and more companies have made efforts to rethink the role consumer’s experience plays in their marketing strategy. Specifically, what consumers wants would not only be satisfaction of product function, design, store decoration and service quality, but also the values added gained from consumption experience. The key point of experiencing marketing management is how to create valuable experience to satisfy the need of consumers and raise customer satisfaction in the process of providing products or services (Kotler, 1999). Both academic research and practitioners showed growing interests in understanding the strategic benefits of experiential marketing. Previous research has put efforts on discussing the degree of consumer’s satisfaction with expectation of products or services before consumption and the feeling they perceived after purchased before and after consumption. The difference between expectation and performance will result in unhappy experiences for consumers. However, in practical situation, regardless of the difference between expectation and perceived product performance, consumers still hasten to gather in waiting lines outside physical stores. This phenomenon is often observed in food and restaurant industry. The effect has brought an experiential marketing trend to the industry in Taiwan. In spite of price, quality, service and attitude, consumer’s
post-experience evaluation is inconsistent or not, consumers were still queuing up for purchasing. Little attention has been paid to investigate how consumers perceived the consumption experience related to the issue of waiting experience and how the cognitive dissonance might influence their responses toward the phenomenon. Thus, it should be necessary to explore the cause association toward consumer’s anticipated satisfaction and effect relationships among cognitive dissonance, consumption value and word of mouth communication.

A review of service related literature indicates that there is a direct relation between service quality and behavioral intention (Zeithaml et al., 1996; Bolton & Drew, 1991). However, the consumer’s cognition toward service quality is derived from consumption experience and perceived values themselves, and it has direct effect on consumer satisfaction as well (Sun et al., 2011; Kwortnik and Ross, 2007). Satisfaction is the emotional reaction caused by the difference between product functional performance and evaluation from using experience. Therefore, satisfaction is considered emotional in essence according to consumer’s original cognition (Westbrook & Oliver, 1991). Recent research indicates that post-consumption cognition is an immediate feeling and reaction caused when consumers get in touch with product or service. Dissonance is the anxiety comes out with unknown results and still resists after using (Oliver, 1997). Cognitive dissonance can be divided into cognitive and emotional perspectives. From cognitive point of view, the dissonance is the difference of consumer’s belief after making purchasing decision; while as emotional point of view, the dissonance is the uncomfortable feeling following with making purchasing decision. Sweeney et al. (2000) find that consumers with high cognitive dissonance were unable to perceive the value and satisfaction. Consumers have difficulties to evaluate the quality of products and felt less satisfaction. Consequently, the relationship between dissonance and satisfaction is significant and would be accompanied with the perceived value. The current research adopted the experiential marketing perspective, using cognitive dissonance as variable that might affect consumer’s perceived value, anticipated satisfaction, and word of mouth communication. The purpose of this study was to build the definite relationships between each of the variables. Through the explanation of relationship, this study tried to figure out the core factors that control perception of anticipated satisfaction. The findings and suggestion of this research could provide insights for marketers and managers to improve consumer relationship quality in the food and restaurant industry.

**LITERATURE REVIEW**

**Cognitive Dissonance**

Cognitive dissonance is proposed by social psychologist Festinger (1957). The researcher thinks people will maintain the consistence of internal cognition and change one of them to eliminate the dissonance condition when attitude or behavior brings conflict. Arronson (1997) explains further that dissonance is a negative driver condition. When the inconsistencies are perceived, they will feel unhappy and make change to decrease the dissonance condition and reach harmony. Conception of cognitive dissonance conception has already used widely to consumer behavior research. Sweeney et al. (2000) divide cognitive dissonance into three aspects according to consumer behavior changing and attitude alternative, such as emotional, wisdom of purchase and concern over deal. As cognition perceived inconsistent, the emotional reaction arise following by purchasing decision making. Related research has proved that cognitive dissonance would affect the process of consumer’s purchasing decision, and further had direct effect on consumer attitude, intention to repurchase and purchasing satisfaction (Sweeney & Soutar, 2001; Sweeney et al., 2000).
Consumption Value

Perceived value can be regarded as the evaluation consumers make to the utility that product or service provided. Consumers make entire utility evaluation between the sacrifice of perception and benefits (Zeithaml, 1988). Monroe and Krishnan (1985) propose that consumers can obtain perceived value by comparing perceived quality and perceived sacrifice. If perceived quality is greater than perceived sacrifice, consumers will have more positive perceived value to the product or service, as well as further consumer’s purchase intention. Babin, Darden & Griffin (1994) divide perceived value into utilitarian values and hedonic values. Utilitarian values refer to the direct benefits consumers obtain from the product, it is more functional; however, hedonic values indicate the emotional satisfaction from product attributes or usage, it is more experiential. Juhl et al. (2002) mention that consumer’s expectation and perceived quality would have positive effect on perceived value, and positively affect consumer satisfaction by raising their perceived value. Recent studies of service industry support that perceived value have positive effect on satisfaction (Park et al., 2004; Cronin et al., 2000 Hallowell, 1996).

Anticipated Satisfaction

Kotler (1999) indicates that satisfaction is the degree of happy or disappoint, it comes from the result of perception of product function, and expectation of product. Spreng & Olshavsky (1996) conclude the satisfying feeling comes from the comparison of perceived performance with consumer’s internal desire and expectation to the service or product. Several studies indicate that consumer satisfaction is not only the evaluation of post purchasing, but also accompanying consumer’s behavioral intention, such as customer loyalty, word of mouth communication (Kumar, et al., 1997; Chebt et al., 1995; Fornell, 1992). The anticipated satisfaction used in current study is adopted the concept that consumers will evaluate the expectation of product or service according to their consumption experience. The degree of satisfaction or dissatisfaction will also affect the post-purchase behavior intention of consumers (Cronin & Taylor, 1994).

Word of Mouth Communication

Zeithmal et al.(1996) thought behavioral intention can be divided into positive and negative. Word of mouth communication indicate an interpersonal communication about some brand, product and service between disseminators and recipients (Swanson et al., 2003). It is also a kind of exchange process of thought, ideal, conception or suggestion between two or more consumers. Some research indicate that word of mouth communication has powerful effects toward purchasing decision process of consumers (Babin et al., 2005; Brown et al., 2005; Wirtz & Chew, 2002). Herr et al. (1991) indicate that the message of word of mouth communication is delivered by face to face communication condition. When the feeling of this message increases, consumers will probably believe this message in purchasing decision process (Swanson et al., 2003).
METHODOLOGY

Proposed Research Model and Hypotheses

![Diagram of the research model]

**H1:** Cognitive dissonance has negatively direct effect on anticipated satisfaction.

**H2:** Cognitive dissonance has negatively direct effect on word of mouth communication.

**H3:** Cognitive dissonance has negatively direct effect on consumption value.

**H4:** Consumption value has positively direct effect on anticipated satisfaction.

**H5:** Consumption value has positively direct effect on word of mouth communication.

**H6:** Anticipated satisfaction has positively direct effect on word of mouth communication.

Sample

The subjects of this study were randomly chosen from consumers waiting in line for purchasing outside a famous bakery in Kaohsiung, Taiwan. A total of 467 questionnaires were distributed and 426 questionnaires were returned. 408 questionnaires were considered effective for further analysis. The response rate was 87.37%. For the subject characteristics, about 60% of the respondents were male (n=241). The status of marriage indicated that 56.1% were married, while 43.9% were unmarried. With regard to age distribution, the age ranged from 16 to 45 years old accounted for about 58.8% (n=240). The majority of occupation rated was government employees and teachers, accounted for 32.4%, following by students (19.9%) and businessmen (18.4%). Over 75% of the respondents held college degrees or above and the income level distributed from 20~50 thousand dollars was about 60 percent.

Questionnaire Design and Measurement of Variables

A multi-item scale was used to obtain the data from the waiting consumers. Upon the basis of previous research, the survey was developed, and split into two portions. The first portion used nominal scale to measure respondent’s background, by using demographic statistics variable “socioeconomic characteristics” and “consumption characteristics.” items. The second portion was divided into four parts, “cognitive dissonance”, “consumption value”, “anticipated satisfaction”, and “word of mouth communication” items. A total of twenty-six items was composed of the questionnaire. The post-purchase cognitive dissonance scale was modified from Sweeney et al. (2000) study, containing indices of “emotional”, “wisdom of purchase” and “concern over deal” facets. The perceived consumption value
was modified from research of Batra & Ahtola (1991) and Babin, et al. (1994). Eight items were included in “hedonic value” and “utilitarian value” facets. The variables of anticipated satisfaction was modified from Shiv & Huber’s (2000) work, using “satisfying”, “well-feeling” and “doing the right thing” three items as measure indices. Word of mouth communication items was adopted from the study of Price & Arnould (1999) and Swanson et al. (2003), including “recommending intention”, “positive evaluation” and “suggesting purchasing”. Respondents were required to value the degree of agreement based on a seven-point scoring Likert-type scale, with 7= strongly agree, 4= neutral, 1= strongly disagree.

Data Analysis

Data was analyzed by using descriptive statistics and structural equation model (SEM). Descriptive statistics was used to analyze the distribution characteristics of sample background, such as socioeconomic and consumption characteristic variables. To test the proposed hypotheses, structural equation model (SEM) was performed to examine the cause and effect relationship among variables. The analysis process was referred to the procedures proposed by Anderson and Gerbing (1988). Confirmatory factor analysis was first conducted to test the goodness of fit of the measurement model. Then, the theoretical model of constructs was tested to examine path analysis and evaluate goodness-of-fit test. To ensure the reliability and validity of constructs, Cronbach’s alpha estimates and average variance extracted (AVE) coefficients were also calculated and provided in Table 1.

RESULTS

The Measurement Model

Confirmatory Factor Analysis (CFA) was employed to examine goodness of fit of the measurement model. Table 1 showed the component reliability (CR) of each factor, ”cognitive dissonance”, “consumption value”, “anticipated satisfaction”, and “word of mouth communication”, ranged from 0.666 to 0.752. The results indicated a highly internal consistency, which was over suggested value of 0.6. With regard to convergent validity, the AVE of ”cognitive dissonance”, “consumption value”, “anticipated satisfaction”, and “word of mouth communication” were 0.500, 0.523, 0.512, 0.514, respectively. Overall, the values of each factor were above the suggested value of 0.5, which met the least requirement and had convergent validity.

Table 1: Component Reliability, Factor Weight Value and AVE

<table>
<thead>
<tr>
<th>Factors</th>
<th>Facets (Items)</th>
<th>Factor Loading</th>
<th>Component Reliability</th>
<th>AVE</th>
<th>AVE Square Root</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive Dissonance</td>
<td>Emotional</td>
<td>-0.97</td>
<td></td>
<td>0.750</td>
<td>0.500</td>
</tr>
<tr>
<td></td>
<td>Wisdom of Purchase</td>
<td>-0.96</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concern Over Deal</td>
<td>-0.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption Value</td>
<td>Hedonic Value</td>
<td>0.77</td>
<td></td>
<td>0.666</td>
<td>0.523</td>
</tr>
<tr>
<td></td>
<td>Utilitarian Value</td>
<td>0.69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anticipated Satisfaction</td>
<td>Satisfying</td>
<td>0.88</td>
<td></td>
<td>0.747</td>
<td>0.512</td>
</tr>
<tr>
<td></td>
<td>Well-feeling</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Doing The Right Thing</td>
<td>0.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Word of Mouth Communication</td>
<td>Recommending Intention</td>
<td>0.74</td>
<td></td>
<td>0.752</td>
<td>0.514</td>
</tr>
<tr>
<td></td>
<td>Positive Evaluation</td>
<td>0.97</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suggesting Purchase</td>
<td>0.62</td>
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</tbody>
</table>
The results of goodness of fit towards the full structural model were shown as following. The significant level of basic fit index, chi-square value reached 55.87, degree of freedom 39, p<0.00, which mean $X^2$/df was 1.433, lower than suggested value 3.0 by Segars and Grover (1993). Goodness-of-fit (GFI) value was 0.943, higher than the suggested value 0.8 by Sharma (1996). Adjusted Goodness-of-fit (AGFI) was 0.921, higher than the suggested value 0.7 by Scott (1994). Root mean-square residual (RMR) value was 0.021, lower than the suggested value 0.08 by Jarvenpaa, et al. (2000). Comparative fit index (CFI) value was 0.927, higher than the suggested value 0.9 by Bentler and Bonett (1980). However, Root mean square error of approximations (RMSEA) was 0.051, slightly higher than suggested value 0.05 by Hair et al. (1998). And, normed fit index (NFI) values was 0.870, which was slightly lower than suggested value 0.9 by Bentler and Bonett (1980). Hair, et al. (1998) argued that, there was not yet any consensus among scholars regarding the standard of that goodness of fit indices. Researchers could only pick one or two indices to evaluate the goodness of fit toward the model. In the case of current research, overall the results showed significant values of good fit, and had reasonable fit to the structural model.

Figure 1 : Regression Path Analysis Model

Figure 1 illustrated standardized path coefficients of the proposed structural model. Cognitive dissonance had significantly direct effects on all three factors, $\beta=0.33$ (p<0.001) to anticipated satisfaction, $\beta=0.22$ (p<0.001) to word of mouth communication, and $\beta=0.12$ (p<0.01) to consumption value. Consequently, hypothesis 1, hypothesis 2, and hypothesis 3 were all supported. Consumption value had also a significantly directly effect on anticipated satisfaction, which the loading was$\beta=0.39$ (p<0.001), supporting Hypothesis 4. Anticipated satisfaction had a significantly direct effect on word-of mouth communication with loading of 0.26 (p<0.001), which hypothesis 6 was supported as a result. However, no significantly direct effect was found between consumption value and word of mouth communication. Hypothesis 5 would not be supported.
CONCLUSION

On the whole, cognitive dissonance occurs when consumers feel inconsistencies between different level of perception and actual circumstances. The inconsistencies would be key factor to affect the full structural model, such as emotional reaction after purchasing decision, depressed, angry, irritable, doubt to purchase the product, doubt something wrong during transaction process. The result of testing indicated that anticipated satisfaction would be affected by cognitive dissonance and consumption value. That means the perception of anticipated satisfaction would be affected by the degree of consumption value and the difference between anticipation and actual circumstances. For management implication, to find out the solution of quality consistency could effectively reduce consumers’ cognitive dissonance before they making decisions, which might be the key factor of manipulate how consumers evaluate their anticipated satisfaction.

Furthermore, word of mouth communication was affected by cognitive dissonance and anticipated satisfaction. It means that cognitive dissonance and the degree of perception of anticipated satisfaction would have a direct effect to the final evaluation of word of mouth communication. Meanwhile, the results also point out that consumer’s degree of perceived consumption value would also be affected by cognitive dissonance. When dealing with cognitive dissonance after purchasing, marketers should first manage the discrepancy from consumer’s anticipated satisfaction. Second, marketers must take dimensions of consumption value into considerations; provide definite information regarding service recovery. So that they can redeem consumer’s complaints and negative experiences, and avoid exerting influence over word of mouth communication.

For future direction, the target subjects used in this study were those consumers waiting for purchasing bread in a famous bakery, by executing survey questionnaire to examine effect of consumer’s cognitive dissonance on consumption value, anticipated satisfaction, and word of mouth communication. Nevertheless, findings of previous research showed that the main motivation of waiting for purchasing bread in this bakery were individual preference, word of mouth from friends, and media communication. The results are consistent with the result of current study that considering consumer’s anticipation and possibility might incur cognitive dissonance and inconsistencies at the same time. Previous research has indicated that a direct relationship was found between customer’s relationship quality, consumption values and service quality management (Christy et al., 1996; Crosby et al., 1990). Future directions could be paid more attention to relevant factors and investigate the relationship among each of the variables. Besides, future research could also compare differences of consumer’s perception of waiting time and conformity between groups of first-time and return customers, and investigate whether the conformity behavior and perceived waiting time would be affected by consumption experience and word of mouth communication.

REFERENCES


